



Asahi Broadcasting Group Holdings Corporation

Financial Results for the Fiscal Year Ended March 2021 and New Medium-Term Management Strategy Briefing Session

May 17, 2021

[Venue] Online

[Speakers]	Susumu Okinaka	Representative Director and President
	Shinya Yamamoto	Representative Director and Vice President, Asahi Television Broadcasting Corporation
	Kazuhiko Ogura	Representative Director and President Director, Executive Officer

Presentation

Moderator: Analysts and investors, thank you very much for waiting.

It is time, so we would now like to begin the financial results briefing for the fiscal year ended March 31, 2021 and the briefing for the Medium-Term Management Strategy of Asahi Broadcasting Group Holdings Corporation.

Now Susumu Okinaka, Representative Director and President of Asahi Broadcasting Group Holdings, and Shinya Yamamoto, Representative Director and President of Asahi Television Broadcasting Corporation, will deliver their presentations.

First of all, Okinaka will explain the overall performance of the Group.

Consolidated Results

Susumu Okinaka
Representative Director and President
Asahi Broadcasting Group Holdings Corporation

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Okinaka: This is Okinaka. I would like to thank you all for your continued support. And thank you for joining us today.

As you know, we suffered greatly from COVID-19 in the past year. This time last year, in particular, we saw numbers like we had never seen before, especially in advertising sales for the TV company, Asahi Television Broadcasting Corporation, or ABC TV.

We are relieved to see that TV advertising recovered in the second half of the year under review, and both sales and profits returned to levels quite close to the preceding year.

However, what was still painful was that we were not able to produce satisfactory programs, hold events, and provide services to our customers.

In the midst of all this, on the other hand, new small businesses were born to cope with the world that had changed so much with COVID-19. I think this is a good opportunity for us to rethink how we work and how we do business.

Consolidated Results



(Millions of yen)

	FY20/3	FY21/3	YoY	% Change	
Net Sales	82,937	78,344	-4,592	-5.5%	
Operating Expenses	79,548	75,650	-3,898	-4.9%	
Details	Cost of Sales	54,959	52,393	-2,566	-4.7%
	Selling, General and Administrative Expenses	24,588	23,256	-1,332	-5.4%
Operating Income	3,388	2,694	-694	-20.5%	
Ordinary Income	3,633	3,033	-599	-16.5%	
Profit Attributable to Owners of Parent	2,278	-930	-3,209	—	

- The COVID-19 pandemic resulted in a considerable decline in broadcast advertising revenues, while major events continued to be canceled. Although we controlled TV program expenses and other expenses to a certain extent, revenues and profits declined.
- We recorded a net loss, mainly due to the recording of a loss on valuation of investment securities related to our investments in a US video streaming business.

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I would now like to explain the consolidated financial results.

Net sales for the fiscal year ended March 2021 were JPY78.3 billion, down 5.5% or JPY4.6 billion YoY, largely due to lower sales in the Broadcasting business.

Operating income was approximately JPY2.7 billion, a year-on-year decrease of JPY700 million, as expenses were controlled due to a decrease in the cost of sales, such as the program cost.

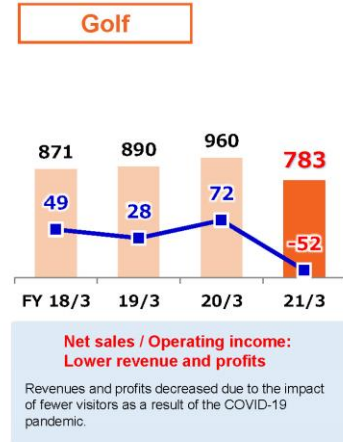
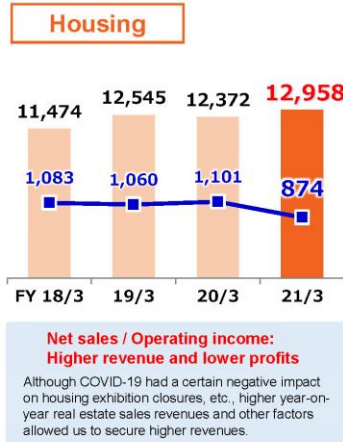
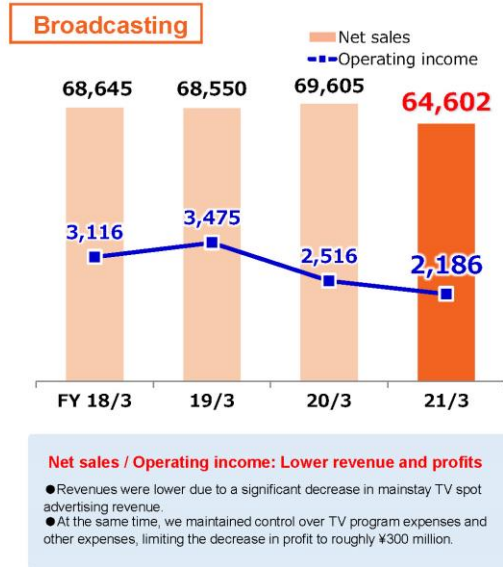
Ordinary income was JPY3 billion, a YoY decrease of JPY600 million.

We incurred loss attributable to owners of parent, mainly due to loss on valuation of investment securities, et cetera, related to our investment in the video streaming business in the US.

Results by Segment



(Millions of yen)



Adjustments	FY20/3	FY21/3
Operating Income	-301	-314

5 (Note) Figures reflect consolidation adjustments

In the Broadcasting segment, spot advertising sales, the mainstay of the segment, declined a sharp 11.9% YoY due to the COVID-19 pandemic. Overall sales decreased by around JPY5.1 billion.

On the other hand, operating income decreased by only about JPY300 million YoY due to significantly reduced costs for program production and other expenses.

The Housing segment was affected by the temporary closure of the housing exhibitions and other facilities amid the COVID-19 pandemic, but large-scale real estate sales resulted in a YoY increase in total sales.

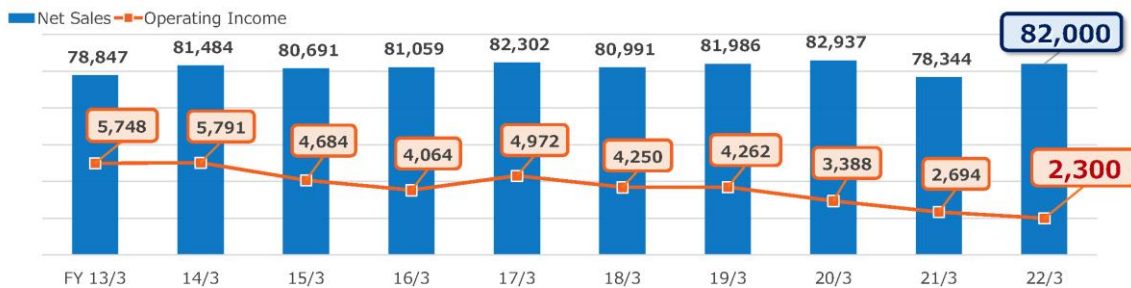
In the Golf segment, both sales and profits declined due to a decrease in visitors amid the COVID-19 pandemic.

FY22/3 Consolidated Results Forecasts



(Millions of yen)

	FY21/3 (actual)	FY22/3	YoY	% Change
Net Sales	78,344	82,000	3,655	4.7%
Operating Income	2,694	2,300	-394	-14.6%
Ordinary Income	3,033	2,500	-533	-17.6%
Profit Attributable to Owners of Parent	-930	1,600	2,530	—



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The following is the consolidated earnings forecasts for the current fiscal year.

For the fiscal year ending March 31, 2022, we expect consolidated net sales to increase due to a recovery from the COVID-19 pandemic in each business segment, including a recovery in sales in the Broadcasting segment.

On the other hand, incomes are expected to decrease. This is because program and other expenses, which were decreased by COVID-19 in the previous fiscal year, will return to some extent in the current fiscal year and we also expect to spend upfront expenses to grow into a group that focuses on the Content business.

Financial Results Forecasts by Segment



(Millions of yen)

		Net Sales	Operating Income
Broadcasting and Content		67,800	1,700
By business	Broadcasting	54,900	
	Content	12,600	
	Other	300	
Lifestyle		14,200	900
By business	Housing	9,800	
	Golf	900	
	At-home shopping	2,900	
	Other	600	
Other			-300

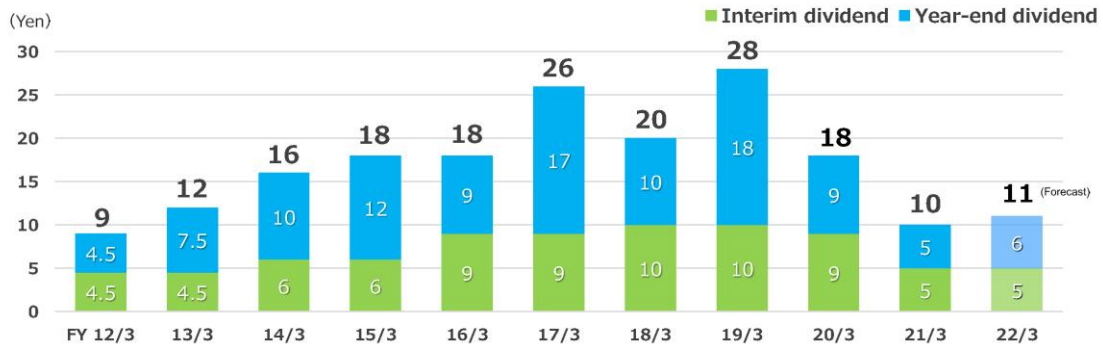
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Next is the forecasts by segment.

Starting with the current fiscal year, the Company has changed its reportable segments from the previous 3 segments of Broadcasting, Housing, and Golf to 2 segments of Broadcasting and Content and Lifestyle. We categorized our businesses as shown below.

In line with segment change, we did not provide YoY comparison figures. Regarding the breakdown by business of these segments, in the Broadcasting business, we expect a YoY increase in sales mainly due to a recovery in TV spot advertising. We also expect YoY rises in sales in the Content and At-home shopping businesses.

Dividends



Regarding shareholder returns, we will make determinations on dividend payment in a consistent, stable, and flexible manner, after comprehensive consideration of the balance between strengthening and maintaining our financial position and investing toward improved corporate value and toward our growth strategies. We maintain a target consolidated dividend payout ratio of 30% and have set a minimum annual dividend level of 10 yen per share.

Therefore, for the fiscal year ending March 2021, we will issue annual dividends per share of 10 yen, and for the fiscal year ending March 2022, we expect to issue annual dividends per share of 11 yen, including an interim dividend of 5 yen and a year-end dividend of 6 yen.

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Next is the current fiscal year's dividends.

The dividend for the current fiscal year under review is as described on page 8.

Based on the dividend policy described below, we have decided to pay an annual dividend of JPY10 per share for the fiscal year ended March 2021.

For the fiscal year ending March 2022, we forecast an interim dividend of JPY5 and a year-end dividend of JPY6, for a total annual dividend of JPY11 per share.

This was an explanation of our consolidated business results.

ABC TV Results

Shinya Yamamoto

Representative Director and Vice-President
Asahi Broadcasting Group Holdings Corporation
Representative Director and President
Asahi Television Broadcasting Corporation

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Moderator: Next, Yamamoto, Vice President of Asahi Broadcasting Group Holdings and President of Asahi Television Broadcasting Corporation (ABC TV), will explain the financial results of ABC TV.

Yamamoto: This is Yamamoto. Thank you for joining us today.

As Okinaka mentioned at the beginning of this presentation, the previous fiscal year was a really tough year for us. In the first half of the year in particular, TV spot revenue was in an unprecedented situation, but in the second half of the year, we saw a gradual recovery trend, and thanks to a decrease in expenses, we managed to pick up our performance for the year as a whole.

Even in the midst of these difficulties, I think that the role of television was reevaluated because of this COVID-19. I had that kind of impression for the year.

ABC TV Results



(Millions of yen)

	FY20/3	FY21/3	YoY	% Change	
Net Sales	57,605	51,288	-6,316	-11.0%	
Operating Expenses	56,203	49,935	-6,268	-11.2%	
Details	Cost of Sales	35,539	30,855	-4,683	-13.2%
	Selling, General and Administrative Expenses	20,664	19,080	-1,584	-7.7%
Operating Income	1,401	1,353	-48	-3.5%	
Ordinary Income	1,452	1,411	-40	-2.8%	
Profit	834	882	48	5.8%	

- The main factor in the decrease in revenues was a significant decrease in advertising revenue, mainly in spot advertisements, due to the COVID-19 pandemic.
- In addition, the cancellation of major sporting events such as high school baseball tournaments, etc., also had a negative impact.
- On the other hand, we maintained control over TV program expenses and other expenses to a certain extent, limiting the decline in profits.

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I would now like to explain our business performance. Please see page 10.

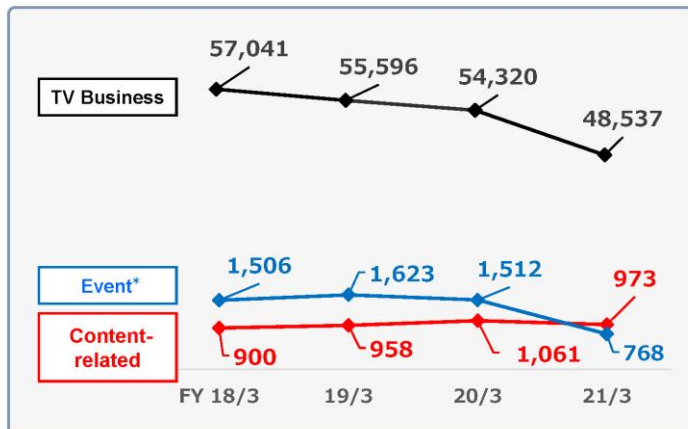
Net sales totaled JPY51,288 million, a YoY decrease of approximately JPY6.3 billion. This was due to a significant decrease in TV spot revenue in the mainstay Broadcasting business and the cancellation of major sports events such as high-school baseball tournaments.

On the other hand, due to the impact of the cancellation and postponement of location shootings and recordings at studios due to the COVID-19 pandemic, program cost and other expenses also decreased, resulting in a JPY48 million decrease in operating income. Ordinary income decreased by JPY40 million YoY. We managed to control the decline in income.

ABC TV Revenue Performance



(Millions of yen)



* Event revenue in FY18/3 includes radio-related events.

Point

- **TV Business ↓ 10.6%**
* The main factor was a decrease in spot revenues.
※ See the next page for more details.
- **Event ↓ 49.2%**
* Many events were postponed or cancelled due to COVID-19.
* *The Banksy Exhibition* performed well.
- **Content-related ↓ 8.3%**
* Many programs experienced increased revenues, including the digital rollout of *M-1 Grand Prix* and expansion of our YouTube business.
* The major factor behind the decrease in revenues was the decline in Virtual High School Baseball (main tournament cancelled due to COVID-19).

	FY18/3	FY19/3	FY20/3	FY21/3
Other	458	769	711	1,009

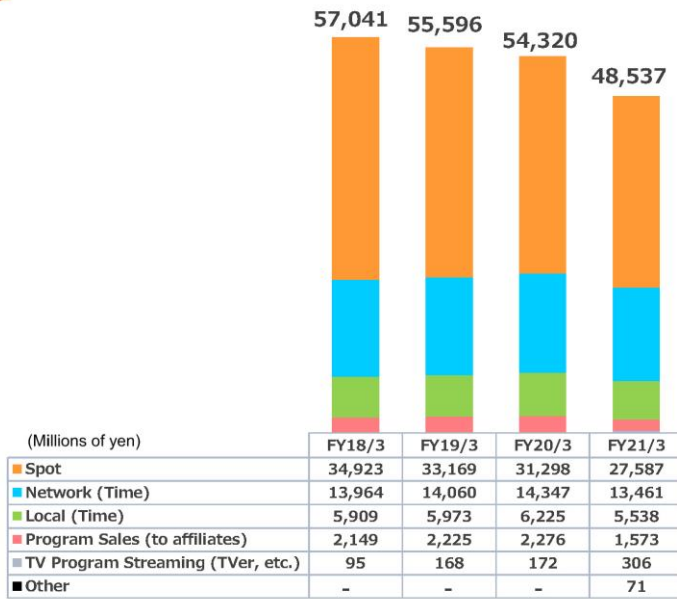
The following page describes the results by business.

As you can see, sales from the Television business declined significantly. This was mostly due to the decrease in spot revenue. I will explain the details on the next page.

Revenue from events decreased by nearly 50% YoY due to the cancellation and postponement of many scheduled events, which were severely restricted by the COVID-19 pandemic.

Content-related revenue rebounded in the second half of the year thanks to the strong digital rollout of the *M-1 Grand Prix* and the launch of a sub-channel on YouTube. But total sales for the full year declined due to the strong impact of the cancellation of the summer Japanese National High School Baseball Championship Tournament and the scaling back of Virtual High School Baseball in the first half.

Details of TV Business Revenue



- Spot**
 - YoY 11.9% ↓
 - Kansai region revenues declined significantly (89.0% of the prior year).
 - ※ See the following pages for more details.
- Network (Time)**
 - YoY 6.2% ↓
 - M-1 Grand Prix*, *Who is a Real Celebrity?*, *In the Middle of Nowhere*, etc., performed well; however, major sports programs such as golf and high school baseball tournaments declined.
- Local (Time)**
 - YoY 11.0% ↓
 - In addition to a decrease in advertisements due to COVID-19, there were fewer major programs (high school baseball tournaments, SMILE EXPO, etc.).
- Program Sales (to affiliates)**
 - YoY 30.9% ↓
 - Decrease due to a revision in sales commission system, etc.
 - Aiseki Shokudo* is performing well, having become popular nationwide.
- TV Program Streaming (TVer, etc.)**
 - YoY 77.8% ↑
 - Expanded drama content, which is seeing greater streaming.
 - Favorable impact of demand for in-home consumption due to COVID-19.

Page 12 shows the breakdown of TV business sales.

The biggest impact was the decrease in spot revenue, which I have already mentioned, with sales from spot ads in the Kansai region dropping 11% YoY, indicating a very difficult situation.

Time sales were also down YoY.

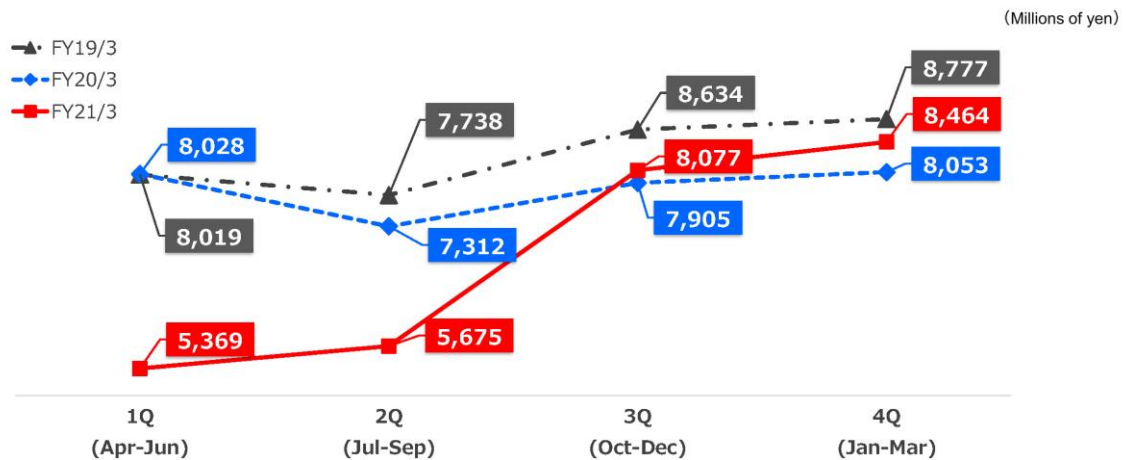
The advertising market itself was extremely difficult due to the COVID-19 pandemic, and our sales were affected by the cancellation of the Japanese National High School Baseball Championship Tournament in the first half and a decrease in the number of professional baseball games of the Tigers.

However, even in this difficult situation, *In the Middle of Nowhere* on national network performed well throughout the year. Our famous special programs, such as the *M-1 Grand Prix* in December and *Who Is a Real Celebrity?* in the new year, were also very successful.

Revenue from sales of programs to affiliate stations declined, although popular programs such as *Aiseki Shokudo* (Tr. Let's Share a Table), fared well.

Program streaming revenue shot up 77.8% YoY, owing to the solid performance of *Aiseki Shokudo*, which I have just mentioned, and an increase in drama content in the second half of the fiscal year. In addition to the spread of TVer, we believe that so-called "stay-at-home" demand has also contributed to this strong performance in program streaming.

Spot Revenue of TV Business (Quarterly performance)



- Revenues declined significantly in Q1 and Q2 due to the impact of COVID-19 resulting in fewer advertisements.
- We began to see signs of a slight recovery in September, with a recovery in Q3 and Q4 to levels higher year on year.
- However, this was not enough to offset the decline in revenues over the first half of the year, and revenues were lower by approximately ¥3.7 billion for the fiscal year.

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Next, on page 13, you can see the quarterly spot revenue trends.

From September onward, there were signs of recovery, and sales in the third and fourth quarters returned to the year-before levels, but this was not enough to cover the decline in the first half, resulting in a total YoY decline of approximately JPY3.7 billion.

Spot Revenue of TV Business (By Top 20 Industries)



Industry	FY20/3 (Full-Year)		FY21/3 (Full-Year)	
	YoY*	Composition rate	YoY*	Composition rate
Foods	94.3%	10.0%	89.4%	10.1%
Transportation / Leisure / Food Services / Services	102.9%	12.2%	70.9%	9.8%
Information / Communications	81.3%	8.1%	90.0%	8.2%
Pharmaceuticals / Medical Supplies	95.4%	7.9%	88.6%	8.0%
Beverages / Liquors	95.0%	7.1%	92.7%	7.5%
Automobiles	86.9%	7.3%	83.6%	6.9%
Finance	86.3%	6.6%	81.1%	6.1%
Home Electric Appliances / Computer	110.9%	6.0%	88.2%	6.0%
Cosmetics / Toiletries	78.8%	5.4%	91.4%	5.6%
Hobby (Movie / Game / Music etc.)	79.9%	5.1%	96.0%	5.5%
Government / Political Organization	122.8%	3.3%	102.4%	3.8%
Mail order sales	108.3%	1.6%	203.8%	3.6%
Housing / Real Estate / Construction	89.9%	3.9%	77.2%	3.4%
Publications	108.9%	3.0%	95.3%	3.2%
Energy / Machines / Materials	101.3%	2.5%	102.4%	2.9%
Fashion (Apparel / Jewelry etc.)	98.4%	3.0%	78.5%	2.6%
Household Products	97.3%	1.4%	127.6%	2.1%
Distribution	89.1%	1.7%	92.8%	1.8%
Logistics Services / Businesses / Events	128.7%	1.8%	67.5%	1.3%
Various Organizations (Law Office etc.)	126.1%	2.0%	54.2%	1.3%
Others	300.6%	0.2%	105.8%	0.2%
Total		100%		100%

- Due to the impact of COVID-19, many industries, particularly the leisure industry, reduced their advertisements significantly.
- On the other hand, advertisements by government/political organization (in connection with COVID-19) and mail-order sales (in-home demand) increased. Further, advertisements increased for services tailored to lifestyles changed by COVID-19 (meal delivery services, telework support services, sterilization and antibacterial services, etc.).

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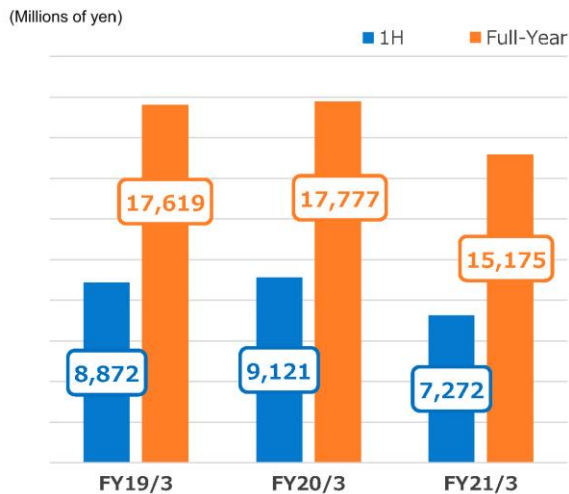
Please see the next page for changes in spot revenue by industry.

Most of the industries, especially the leisure industry that was severely affected by COVID-19, decreased their spot ads significantly.

On the other hand, public offices and political organizations conspicuously launched their ads to raise awareness of COVID-19 countermeasures.

In addition, we have seen an increase in the number of advertisements for at-home shopping services, meal delivery services as represented by Uber Eats, telework support services, sanitizing and antibacterial products, and other services tailored to people's lives that have been transformed by COVID-19.

Program expenses of TV Business*



*Approach to TV program expenses: Examine expenses while keeping an eye on profitability of terrestrial broadcasting and secondary use (program streaming, events, etc.)

Point

- Revenues decreased by approximately ¥2.6 billion (14.6%) year on year.
- * The main factor was the cancellations of broadcasts and filming due to COVID-19.
- * Other factors included unit price control and other optimization of TV program expenses.

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Next, page 15 shows the program cost for the fiscal year under review.

The cost posted a significant YoY decrease.

As I mentioned earlier, the main reason for this was that we were forced to cancel broadcasting sports matches and recording programs due to restrictions on going out caused by COVID-19. In addition, in light of the recent revenue and expenditure situation, we have been continuously working on optimizing our program cost, and we are beginning to see the results of these efforts.

Television Viewer Ratings in Kansai Region for March 2020-Mar 2021* [Individual (ALL)]



(*March 30, 2020 to March 28, 2021)

(Source: Video Research)

	All Day (6:00-24:00)	Golden Time (19:00-22:00)	Prime Time (19:00-23:00)	Prime 2 (23:00-25:00)
1	YTV 4.5%	YTV 7.1%	YTV 6.8%	YTV 3.8%
2	KTV 4.2%	NHK 6.4%	ABC 6.6% (±0.0)	ABC 3.2% (-0.3)
3	ABC 4.0% (+0.1)	ABC 6.3% (±0.0)	KTV 6.1%	MBS / KTV 2.6%
4	MBS 3.6%	KTV 6.2%	MBS 5.6%	—
5	NHK 3.2%	MBS 5.6%	NHK 5.4%	NHK 1.3%

■ ABC (TV Asahi network) ■ MBS (TBS network) ■ KTV (Fuji TV network) ■ YTV (Nippon TV network) ■ NHK
*Figures in parentheses represent the company's year-on-year change.

Page 16 shows the TV viewer ratings for all individuals for the year.

ABC TV was ranked second in Prime Time for 7 consecutive years, and ranked second in Prime 2 for 3 consecutive years.

Fiscal 2020 was characterized by high viewer ratings across the board for news and information programs due to the COVID-19 pandemic. Because of this, NHK was ranked second in Golden Time. PUT, or persons using television, also increased throughout the year, except for Prime 2.

FY22/3 ABC TV Results Forecasts



(Millions of yen)

	FY21/3 (actual)	FY22/3	YoY	% Change
Net Sales	51,288	54,300	3,011	5.9%
Operating Expenses	49,935	52,800	2,864	5.7%
Operating Income	1,353	1,500	146	10.9%
Ordinary Income	1,411	1,600	188	13.3%

	FY21/3 (actual)	FY22/3	YoY	% Change
Program Expenses	15,175	16,000	824	5.4%

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Page 17 shows the forecasts for the current fiscal year.

Despite the lingering effects of the COVID-19 pandemic, the spot advertising market has been on a recovery trend since the third quarter of the previous fiscal year and posted steady growth in April, so we expect sales and profit to increase YoY for the current year.

On the other hand, the program cost is expected to increase due to the return of location shootings, recordings, and sports broadcasts that were cancelled in the previous fiscal year.

FY22/3 ABC TV Revenue Forecasts



(Millions of yen)

		FY22/3
Broadcasting Business Revenue		49,600
Details	Spot	30,000
	Network	12,600
	Local	6,000
	TV Program Streaming (TVer, etc.)	350
Content Business Revenue		4,300

Changes in Item Categories
Classified into two categories in accordance with new medium-term management strategy policy:
Broadcasting Business and Content Business

■ **Broadcasting Business revenue:**
Mainly advertising revenue obtained through broadcasting (including revenue from TVer, a service streaming past broadcasts)

■ **Content Business revenue:**
Revenue obtained from multifaceted production and development of content and intellectual property, including videos and events (including program sales to affiliates, content development derived from TV programs such as Virtual High School Baseball)

Page 18 shows the breakdown of revenue.

Based on the Group's new Medium-Term Management Strategy, we have divided our businesses into 2 major segments since the current fiscal year. They are the Broadcasting business, which focuses on advertising revenue from broadcasting, and the Content business, which earns revenue by monetizing the content and intellectual property, such as videos and events.

For each business, we will analyze viewers, needs, and sponsors, and plan and produce content that is more appealing and sought after.

Breakthrough in Existing Content



▶ *In the Middle of Nowhere:*

Top annual average viewer ratings for regular variety programs across all stations (overall individual, Kansai).

Won the 29th Hashida Awards in March 2021.

- ▶ *M-1 Grand Prix:* Best viewer ratings for both Kanto and Kansai since 2015 revival
Who is a Real Celebrity?: Highest viewer ratings in history for both Kanto and Kansai
 In addition, viewer participation-based digital development, etc., expanding year by year, improving profitability.



Streaming and Other Multi-Purpose Distribution Performing Well

相席食堂

▶ *Aiseki Shokudo:*

Despite being a local program, the show recorded the third highest number of views for the year in the TVer Variety Program genre and won the TVer Award 2020 Special Prize.



▶ Strong late-night drama frame streaming performance:

Drama L and *Drama+* frame content continued to perform well in streaming.

Color of Romance, which began airing in February 2021, exceeded 7.55 million cumulative views on TVer.

Set another ABC TV record-high for number of views.

Page 19 shows some results and topics for FY2020.

In the Middle of Nowhere continued to perform well, topping the average viewer ratings for all regular variety shows in the Kansai region for the year. In March, it won the Hashida Award, which is given to programs and people featuring the Japanese spirit and human interaction, for the first time ever for an ABC TV program.

Our proud special programs during the year-end and New Year's holidays were also strong, with the *M-1 Grand Prix* recording its best viewer rating since its revival in 2015. *Who Is a Real Celebrity?* also posted its highest rating ever. We are also expanding our audience participation digital development every year and improving our profitability.

We also have a broad range of business developments that go beyond broadcasting.

Though it is broadcast on local, the late-night variety, *Aiseki Shokudo* (Tr. Let's Share a Table), was ranked third in the number of views for the year in TVer's variety show category and won the TVer Award 2020 Special Prize.

Late-night dramas from the *Drama L* and *Drama+* frames also performed well in distribution. In particular, the TV drama *Momoiro Anzuiro Sakurairo* (Tr. Color of Romance), which was broadcast in February, achieved the highest number of views in our history on TVer.

Accelerating Development of TV + α and Other New Challenges

- ▶ Began broadcasting **DRAGON CHEF 2021** (program to the No.1 star chef of the next generation). Young, passionate chefs come together from all over Japan. ¥10 million first prize! **Broadcasting Japanese food culture to the world** under the concept of **rediscovering regional charm**. Hoping to support the restaurant industry and producers impacted negatively by the COVID-19 pandemic, we plan to broadcast survival rounds (regional qualifying rounds) on terrestrial, as well as stream on our official YouTube channel and Abema, simultaneously. The final round will be broadcast on our nationwide network in the summer.
- ▶ Bolstering drama content
Expand multi-purpose late-night drama frame (increased beginning in the prior year) and strengthen content getting the youth segment.
Strong performance in April 2021 Season by *14 Reasons Why He Can't Go Home* and *The Reason Why He Can't Marry*.
- ▶ In April 2021, *The Secret Game Show* (aired March 2020), developed jointly with major US production company NBCUniversal Formats, **won Best Comedy Format 2021 in a worldwide contest**. As the only Japanese program nominated for the award, we took a step forward into new possibilities for **content format development**.



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Next, in fiscal 2021, we will further accelerate the new challenges in addition to TV.

In April, *DRAGON CHEF 2021*, which will determine the number 1 star chef of the next generation, was launched.

With the theme of rediscovering the charms of regions, this program aims to introduce Japan's food culture to the world, and young chefs from all over the country are engaged in a fierce battle for the first prize of JPY10 million, the same amount as that for the *M-1 Grand Prix*. In preparation for the final round in the summer, the project will be developed from various angles, including terrestrial broadcasting, distribution on the official YouTube channel, and simultaneous distribution on Abema TV.

Also, *The Secret Game Show*, a non-scripted gameshow format developed in collaboration with the major US program production company, won the top prize in a global contest held in April. It was the only Japanese program awarded the prize, and we look forward to future developments in the new field of content format development.

As I mentioned earlier, the values of society have changed drastically due to COVID-19. In these circumstances, the environment surrounding television is accelerating dramatically. I would like to take this situation as an opportunity to create content that goes beyond the boundaries of conventional television, keeping a stance of putting content first. We would like to monetize the content by choosing the most suitable platform for distribution. We would like to ask for your continued support during the current year as well.

New Medium-Term Management Strategy

Susumu Okinaka
Representative Director and President
Asahi Broadcasting Group Holdings Corporation

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Moderator: That is all the explanation for the financial results.

Next, President Okinaka will now explain the new Medium-Term Management Strategy.

The Group's Growth Vision

Amid the drastic changes in the broadcasting industry's traditional business model, the Asahi Broadcasting Group will grow by dynamically evolving into a comprehensive content business group and targeting "consolidated sales of 100 billion yen and an ordinary income margin of 8.0%."

Business Targets

- ① Definitely achieve our target of "consolidated sales of 89 billion yen and ordinary income of 6 billion yen" in FY2020
- ② Invest in growth areas (investment ceiling of 20 billion yen) to achieve the Group's Growth Vision
- ③ Pursue a dividend payout ratio of 30% or higher
- ④ Strive to improve ROE
- ⑤ Target an overseas business sales ratio to consolidated sales of 3% or more



	FY2017	FY2018	FY2019	FY2020	Target
Ordinary income (Millions of yen)	4,539	4,591	3,633	3,033	6,000
Ordinary income margin	5.6%	5.6%	4.4%	3.9%	6.7%

Overview

- Net sales and ordinary income missed our targets primarily due to the large decline in Broadcasting business revenues. The market contraction was far larger than we anticipated when formulating our plan.
- In fiscal 2020, in particular, we saw a notable reluctance to place advertisements due to COVID-19, resulting in a significant decline in revenues. COVID-19 affected not only our Broadcasting business, but also many group companies.
- At the same time, the increase in consolidated subsidiaries through growth investments initiated by the transition to a holding company, a stronger Content business, and other factors contributed to boost the top line. We also completed several projects, including M&A, new companies, and the establishment of joint ventures. While many businesses have yet to reach a phase of profit recovery, we expect these projects will lead to a ¥5.0 billion improvement in consolidated sales for fiscal 2021. The Housing business is also growing steadily, and we believe our strategy aiming to become a comprehensive content business group, beyond relying solely on broadcasting, is paying off to a certain extent.
- We have provided a stable dividend payout ratio of over 30%.
- Overseas sales progressed to a certain degree, mainly in animation; however, we did not meet our target.

Okinaka: This is Okinaka again.

First, I would like to briefly review the previous Medium-Term Management Plan, SUNRISE 2018 to 2020. For the past 3 years, we have been in full-scale group management, and there have been many things that have gone wrong and many things that have gone right.

As you can see in the graph on the lower left, we unfortunately fell short of our numerical targets for FY2020, the final year of the plan, of JPY89 billion in net sales and JPY6 billion in ordinary income.

However, over the past 3 years, despite repeated trial and error, I believe that we have established the foundation of a form of group management, centered on the Content business. I feel that we have grown both materially and spiritually, or in other words, in terms of our consciousness.

The Lifestyle business is still in its infancy, but I believe that the foundation for it has been laid. As for our strategy as a comprehensive content business group that does not rely solely on broadcasting, I evaluated it to a certain extent since the foundation for the next stage of full-fledged growth is now in place.

Asahi Broadcasting Group 2021–2025 Medium-Term Management Strategy *NEW HOPE*

May 17, 2021

Asahi Broadcasting Group Holdings Corporation

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We have formulated the new Medium-Term Management Strategy to take over these activities.

This is our Medium-Term Management Strategy, NEW HOPE, for the period from 2021 to 2025.

We have changed the name to Medium-Term Management Strategy because we focus on group growth strategy.

As for the financial plan, we have decided to set the planned figures for 3 years and then we will conduct an annual review of the figures for the following 3 years.



As a dynamic and creative corporate organization, the Group continues to evolve while adapting to changing social conditions and contributes to the development of society.

Why must we **change**? What will happen if we don't **change**? And what should we do to **change**? We will **change**, so that we can continue to **evolve**.
We will **continue to create** attractive content, in order **to continue delivering** in a variety of means, such as broadcasting.

This is the goal we strive for, to be a **comprehensive content business group**.



Our business philosophy is as follows:

As a dynamic and creative corporate organization, the Group continues to evolve while adapting to changing social conditions and contributes to the development of society.

Based on this philosophy, we will strive to become a comprehensive content business group.



Creating and Delivering *New Happiness*



The world underwent major changes in the year 2020.

New lifestyles, new communications, new values.

The products we create and how we deliver them continue to evolve.

As a **comprehensive content business group**, we strive for the greater **development of society**, **creating and delivering** a variety of content and services that reflect the times, that enrich society and lives, and that make people happy.

Our sincerest hope is to bring a *new happiness* to every person in every era.

New happiness, to every person, in every era.



And here is the vision of a NEW HOPE: Creating and Delivering New Happiness.

We have set aside a large amount of space to our management philosophy and vision.

After the past 3 years since we shifted to group management, we reemphasized the importance of the cohesiveness, centripetal force, and bilateral cooperation of the Group's member companies.

As is the case with the priority targets explained in the next slide, we emphasized the importance of the philosophy and vision because they will be the *raison d'etre* of the Company in the midst of the great changes in the future, and in turn, they will greatly contribute to the significance of work and motivation for employees.

We also believe that it is important to first raise the awareness of all Group employees for future proactive ESG initiatives.

- 1 Strengthen and diversify human resources throughout the group
- 2 Leverage the power of broadcasting, and strengthen and deepen group collaboration
- 3 Build a data utilization system and pursue the use of digital technologies
- 4 Create businesses that contribute to regional revitalization and solutions to social issues



Achieve consolidated sales of 100 billion yen by FY2025



These are the priority targets.

With them, we expect that our productivity will be enhanced as the awareness and motivation as a Group improve.

The first target is to strengthen and diversify the Group's human resources. The second is to strengthen and deepen the Group's collaboration. I believe that these 2 are the 2 most important targets in the Group's Medium-Term Management Strategy.

The third and fourth, to build a data utilization system and pursue the use of digital technologies and to create businesses that contribute to solutions to social issues are also major goals.

As we move toward these 4 priority targets, the Group will consider achieving consolidated net sales of JPY100 billion by FY2025.

To grow as a comprehensive content business group, the company has divided its business domains into three new categories:

Broadcasting Business

Improve and leverage broadcast value

Gain primary earnings of advertising revenue by using broadcasting to deliver high-quality programs and trusted information to viewers and listeners

Content Business

Strengthen capabilities in content creation and design

Monetize content by creating high-quality content and intellectual property (e.g. videos and events) and developing these with a multifaceted approach

Lifestyle Business

(Housing, golf, at-home shopping, etc.)

Plan experience opportunities and strengthen sales capability

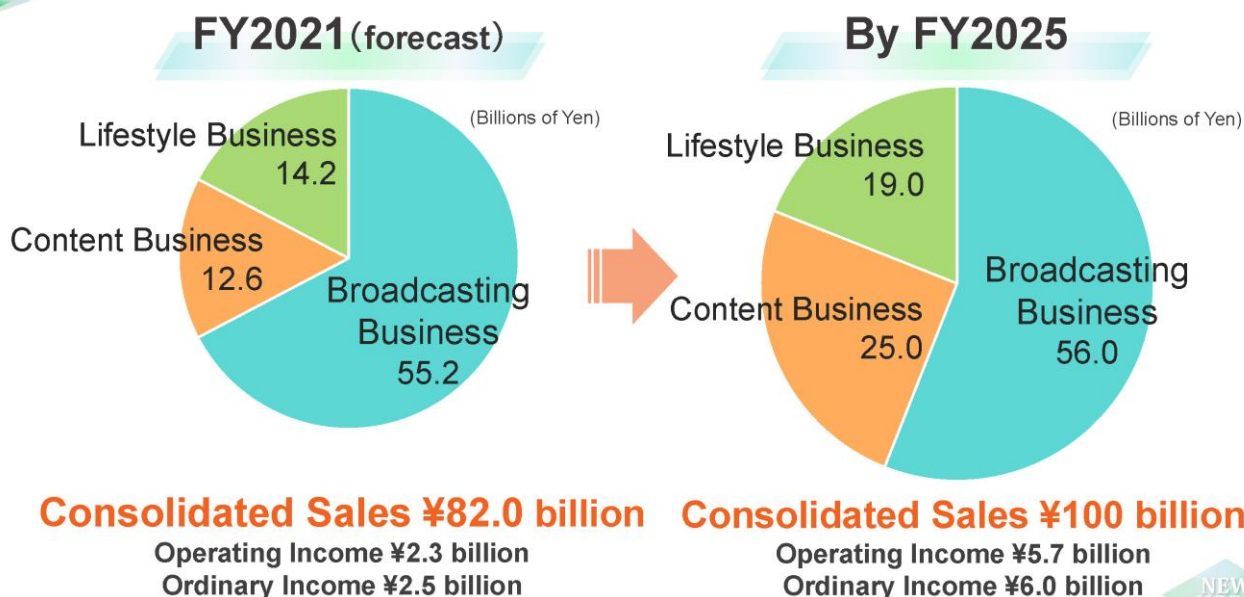
Generate revenue by leveraging broadcasting and content capabilities, enriching people's lives and providing services contributing to communities and society

With this Medium-Term Management Strategy, in order to clearly and strategically grasp the growth of each business, we divided our business domains into 3 categories: Broadcasting, Content, and Lifestyle.

The Broadcasting business focuses on media advertising revenue; the Content business generates direct revenue from IP and content such as videos and events; and the Lifestyle business includes housing, golf, at-home shopping, and other businesses.

We will deepen our analysis of each of these 3 businesses and link our analysis to significant growth.

Priority Targets



Here is an image of the growth of each business domain.

The forecasts for the current fiscal year, FY2021, are shown in the left chart, and the targets by FY2025 are in the right chart.

In the Broadcasting business, we will maintain at least the current level of sales, and aim to exceed it. We aim to nearly double sales in the Content business to JPY25 billion. We plan to expand sales in the Lifestyle business to JPY19 billion.

Overall, we aim to achieve consolidated net sales of JPY100 billion, operating income of JPY5.7 billion, and ordinary income of JPY6 billion by FY2025.

Achieve consolidated sales of 100 billion yen by FY2025

Three-Year Financial Plan

(Millions of Yen)

	FY2021		FY2022		FY2023	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Consolidated Group	82,000	2,300	88,000	3,000	92,000	4,500
▼ By reportable segment	FY2021		FY2022		FY2023	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Broadcasting and Content	67,800	1,700	72,000	1,800	75,000	3,200
Lifestyle	14,200	900	16,000	1,500	17,000	1,600
▼ By business	FY2021 Net Sales	FY2022 Net Sales	FY2023 Net Sales			
Broadcasting Business ^(*)	55,200	56,000	56,000			
Content Business	12,600	16,000	19,000			
Lifestyle Business	14,200	16,000	17,000			

(*1) Net sales in the Broadcasting Business include Other Business Net Sales in the Broadcasting and Content Businesses.



Please move on to page 29. These are the planned figures for the next 3 years.

The figures for FY2023, the midpoint, are shown in the upper right corner of the table. We target net sales of JPY92 billion and operating income of JPY4.5 billion for the year.

The table at the bottom shows the sales forecasts by business.

We will increase sales in the Content business by approximately 1.5-fold to JPY19 billion in FY2023 from FY2021.

We aim to raise sales in the Broadcasting and Lifestyle businesses as shown here.

We would like to achieve these goals for sure.



1. Increase broadcast advertising revenues

- ✓ Produce highly-satisfying programs that take the user's viewpoint, clearly understanding consumer needs
- ✓ Enhance viewing data and establish analysis methods in order to reach core targets
- ✓ Build strong timetables and develop new products unbound by traditional advertising models

2. Improve and leverage broadcast value

- ✓ Programming and production mindful of our Content Business
- ✓ Effectively leverage broadcast promotion capabilities and increase power across the entire group
- ✓ Further improve trust and social value in our broadcasting cultivated over many years

3. Non-broadcasting media strategy

- ✓ Strengthen advertising sales in other media and platforms

I will now briefly explain the strategy for each of the 3 businesses.

First, let's talk about the Broadcasting business.

The market size is still large and the business will remain a major pillar of our Group in the future. We will continue to strengthen this area.



Strategy by Business: Content Business



1. Improve planning and production capabilities to respond to a variety of needs and devices

- ✓ Develop content usable in a variety of media, both in Japan and overseas
- ✓ Strengthen non-video content, e.g. event planning and management

2. Maximize the value of content and expand/strengthen sales channels

- ✓ Strengthen design capabilities in content development, enhance sales channels
- ✓ Maximize content value by utilizing broadcasting promotion capabilities

3. Optimize the value chain

- ✓ Build a more efficient value chain by strengthening group collaboration
- ✓ Promote M&A and entrepreneurship to strengthen content creation and production systems



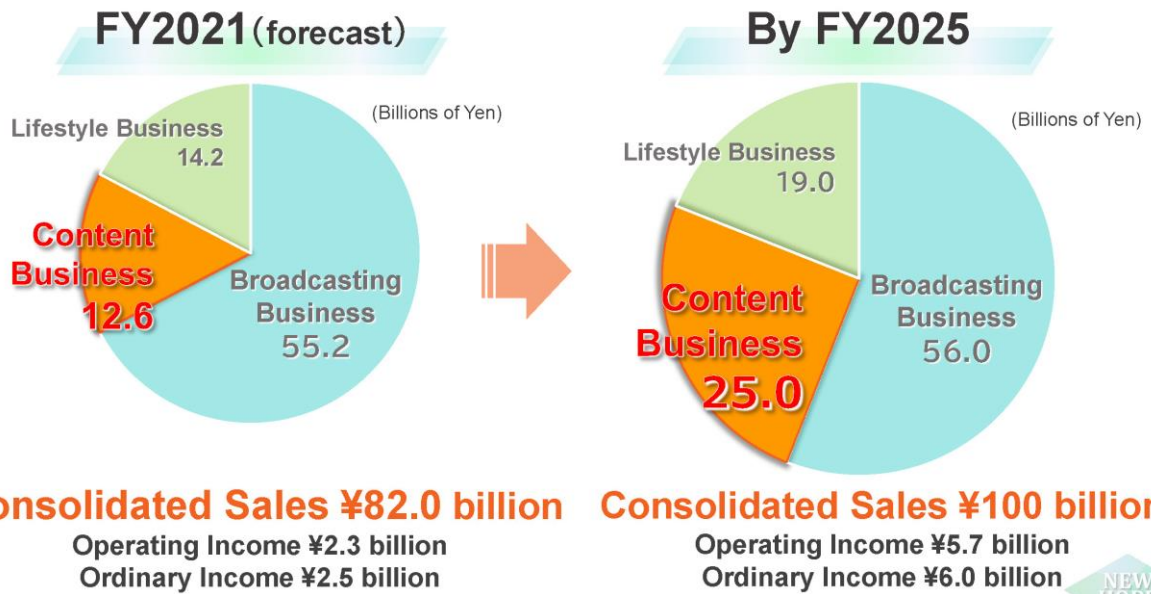
Next is the Content business.

This is the business domain in which we will realize the most significant growth in this Medium-Term Management Strategy.

First and foremost, we need to strengthen our planning and production capabilities. We will maximize revenue with a multi-faceted sales approach. And we will also enhance our value chain and improve our production system.



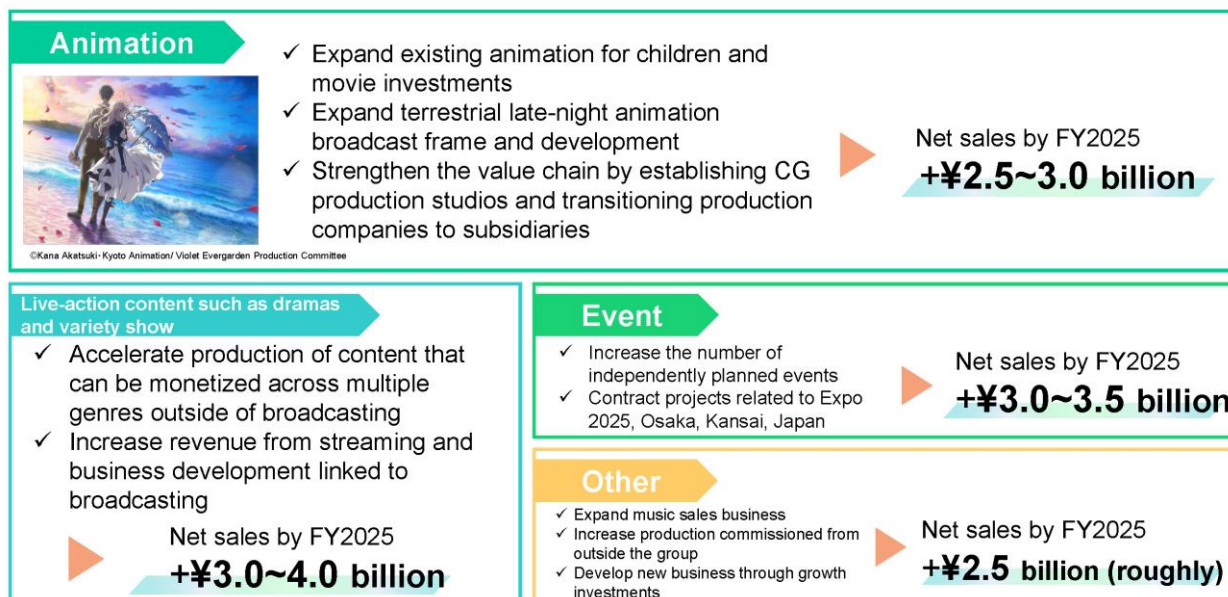
Strategy by Business: Content Business



Please see this.

As you can see in this previous slide, we aim to increase sales in the Content business, shown in orange, to almost double the amount from the FY2021 forecast of JPY12.6 billion to JPY25 billion for FY2025.

Strategy by Business: Content Business



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Here is the breakdown. First is the animation business above.

We plan to further expand late-night anime programs. We will also consistently produce animated films. In addition to strengthening the value chain by making the animation production company SILVER LINK, Inc. a consolidated subsidiary, ABC ANIMATION, INC. launched a 3D animation studio last year. In total, we aim to increase sales in the animation business by JPY2.5 billion to JPY3 billion by 2025.

The bottom left corner depicts the plan for live-action content such as dramas and variety shows.

We would like to try making documentaries and reality shows. We will also promote multiple developments such as the stage adaptation of drama spin-offs and increase overall sales by JPY3 billion to JPY4 billion.

In addition, last week on May 10, ABC FRONTIER, INC. and Super Eccentric Theater launched a joint venture theater production company.

In the event business, after COVID-19, we aim to increase revenue by increasing the number of self-planned events and are now actively preparing for them. We are also aiming to receive outsourcing orders for the Expo 2025 Osaka, Kansai, Japan. For the event business, we aim to increase revenue by JPY3 billion to JPY3.5 billion.

Including other businesses, such as the music publishing business and the development and production of new content-related businesses on consignment, we aim to achieve sales of JPY25 billion in the Content business as a whole for FY 2025.



1. Strengthen existing businesses

- ✓ Strengthen planning capabilities and improve customer satisfaction and experience value
- ✓ Reform business models by utilizing data and other parts of the digital domain

2. Aspire to new businesses that solve social issues

- ✓ Strengthen efforts for regional revitalization utilizing the social trust in broadcasting
- ✓ Aspire to businesses that solve social issues, e.g. aging, disaster prevention and mitigation

3. Expand opportunities through group collaboration

- ✓ Utilize the diverse media power and creative capability in the group's various businesses
- ✓ Expand new business domains, e.g. e-commerce and glamping



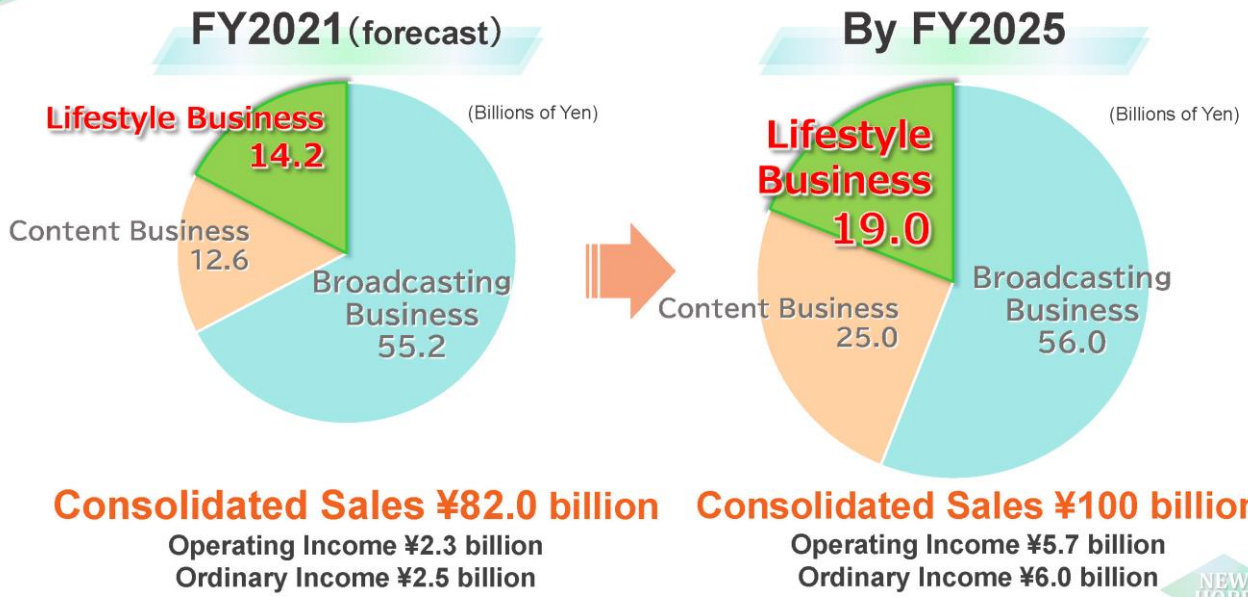
Next, we would like to see sharp growth in the Lifestyle business.

As I told you, we have combined the Housing business, Golf business, at-home shopping and other businesses into the Lifestyle business.

In addition to strengthening the existing businesses, we would like to try to operate new businesses that solve social issues. The key here will be how to utilize the resources of the Group. Of course, the use of the digital domain is also an important point.



Strategy by Business: Lifestyle Business



Here, this is again the chart of the growth image of the business domains mentioned earlier, and the part in green shows sales of the Lifestyle business.

We aim to grow sales of the business, which is forecast at JPY14.2 billion for FY2021, to JPY19 billion by FY2025.

At-home Shopping Business

- ✓ Established ONE DAY DESIGN Inc. in January 2021.
- ✓ Began broadcasts of *Honobono Shigeru* in April 2021 (regional revitalization and TV shopping program).
- ✓ ABC Media Communications conducted a complete redesign and relaunch of the *abc mikke* e-commerce site, strengthening e-commerce offerings.
- ✓ Rising revenues yearly taking advantage of demand for in-home consumption due to COVID-19.

Strengthening E-Commerce
Expand terrestrial broadcast frame, etc.

Net sales by FY2025
+¥2.5~3.0 billion

Other New Business

- ✓ Creating new business in collaboration with DMM.com
- ✓ Developing new businesses with other companies in different

Net sales by FY2025
+¥1.5 billion or more

Here is an image of the growth. The breakdown is as follows.

We will expand the Lifestyle business by strengthening not only the mail-order business by utilizing our TV promotion capabilities, but also e-commerce.

In January of this year, we established a new company, ONE DAY DESIGN Inc., jointly with DMM.com LLC, a company with strong e-commerce capabilities. In April, ONE DAY DESIGN launched an information shopping program, *Honobono Shigeru*, hosted by Mr. Shigeru Joshima of TOKIO, on ABC TV, and it got off to a good start.

We aim to increase sales in the mail-order business by JPY2.5 billion to JPY3 billion by FY2025.

In addition, we are currently working on several projects to develop new businesses in collaboration with other companies, and we expect these projects to contribute to our earnings.

Growth Investment Strategy



Drive group growth by making investments in M&A and other channels as a means to acquire functions and resources in line with the strategy of each of the Broadcasting, Content, and Lifestyle Businesses

- ✓ Content investments to acquire strong intellectual properties
- ✓ Investments in the digital domain to strengthen the push to digital transformation in the group
- ✓ Investments in business domains targeted at solving social issues
- ✓ Investments to strengthen the value chain and promote more in-house production in the group



Build new structures for the investment process

- ✓ Establish structures for ample consideration and discussion of opportunities and risks, and invest more effectively and efficiently by strengthening management and backup systems.



Next, I would like to talk about the growth investment strategy.

As stated on this page, we will continue to invest in M&A and joint ventures as a means of acquiring resources and functions that fall short of our group in accordance with the strategy of each business domain.

Financial Strategy

- ✓ Procure funds optimally with consideration of capital costs and the market environment while maintaining a sound capital adequacy ratio.
- ✓ Actively make optimal investments for future sustainable growth and aim to increase overall corporate value.

Dividend Policy

- ✓ We seek to pay dividends to shareholders after comprehensive consideration of our business performance, payout ratio, and appropriate internal reserves while always considering the balance between strengthening and maintaining our financial position and investing toward improve corporate value and toward our growth strategies.
- ✓ We have decided to pay dividends in a consistent and stable manner, with a target consolidated payout ratio of 30% and, with the exception of times of significant stagnation in business performance due to sudden deterioration in the business environment, we have set a minimum annual dividend of 10 yen per share.
- ✓ In the event of significant fluctuations in profits due to special factors, decisions regarding dividend payout shall be made separately.



Next, these are our financial strategy and dividend policy.

In our financial strategy, we will procure funds with consideration of capital costs and the market environment and actively make investments for future sustainable growth.

As for the dividend policy, we will consider the balance between investments in growth and dividend payments, while maintaining a stable and flexible dividend payout ratio of 30% on a consolidated basis. In addition, with the exception of times of significant stagnation in business performance due to sudden deterioration in the business environment, we have set a minimum annual dividend of JPY10 per share.

This concludes my explanation of the vision and strategies that we are aiming for in our new Medium-Term Management Strategy for the next 5 years. Thank you very much.

Moderator: That is all the explanation we have for you.

Question & Answer

Moderator: We will now move on to questions and answers. Please note that today's presentation and Q&A session are covered by the transcription service. If you have any questions, please provide your name and company name, then ask your question. Please note that questions from analysts and institutional investors will be given precedence.

Questioner: I will now ask you questions. I have 3 questions, all of which are related to the Medium-Term Management Strategy that you announced.

You said that sales in the Content business will grow the most. The first question is how much contribution you expect the Content business to make to operating income in the final year of the Medium-Term Management Strategy.

The second question is also about the Content business. In order to grow the top line the most, you will naturally need investments. Please tell us how much you expect to invest in whether joint ventures or production expenses.

The third and final question is how to monetize the Content business. Do you mainly envision creating new content for the Content business and monetizing it? Or do you plan to monetize the existing broadcast content through other routes than broadcasting so that its composition ratio in sales will be larger? Can you give us an idea of what kind of content you plan to monetize?

I would like to ask these 3 questions.

Okinaka: Now, I, Okinaka, would like to answer the third question.

On the third point of creating new content. At the moment, we are thinking of producing and monetizing both existing broadcast content and other content in a larger scale.

First of all, in the area of animation, we are still producing late-night animation programs, but most of them are made for launch in DVDs or spin-off movies that are affiliated with TV programs.

Now we are planning to produce 1 or 2 animation films per year that are not related to late-night animation programs, broadcasting. They will be perfectly original films, and be mainly in collaboration with Kyoto Animation or some other animation studios.

In the areas of dramas, documentaries, and variety shows, we have been able to make agreements mainly with distributors to create original content, etc. Of course, there are special editions derived from TV programs and special editions for video distribution, but we are also thinking about completely original things while consulting and planning with each party.

As for the event business, in the past, we used to be just an investor in the past events, but since about a year ago, we have been actively planning and producing our own original programs and events, mainly those featuring TV programs. In that sense, we are planning to develop our event business mainly through MASH CORPORATION, an event business company that joined our group 2 years ago.

In addition, since MASH has been doing very well in the area of contract work for the Expo 2025 Osaka, Kansai, Japan, I think they will do very well.

We also have music production, but basically, we cannot achieve the target of our Medium-term management strategy by the Broadcasting business alone, so we would like to produce other content to make a big jump.

As for the first and second question, Ogura, Director in charge of Accounting, will answer.

Ogura: This is Ogura, in charge of accounting.

I am sure there will be questions like that from everyone, but to be honest, at this point it is difficult to separate Broadcasting and Content based on profit.

The reason for this is that we can expect a certain level of sales, there is the problem of allocation.

This is particularly the case for the ABC TV. In many cases, the labor cost for creating the content is the same for both the Broadcasting and Content businesses, so it is difficult to determine the ratio of profit between Broadcasting and Content at this stage.

First of all, in the first year of the Medium-Term Management Strategy, we will make a series of accounting calculations with this issue in mind, and we will have a rough idea of what the situation will be like during the current year as the figures at hand in this new segment. Then, from the second year onward, we will internally assess how much of the profit is from the Broadcasting business and how much is from the Content business.

We would like to explain the results of calculations to you after the accuracy is improved. At this point, I would like to ask for your understanding on this matter.

In terms of investment, I think the main focus will be on investments in content. One of the first things we would like to do is to check how much profit we can expect to make from the upfront investments we are already making during the current fiscal year. Naturally, if it is profitable, the investment amount will be increased.

However, in the area of content, especially animation, there is limited production capacity among investment targets in the future. In short, there are not so many studios that make animation films, so we would like to examine how much we can invest in them as we run our investments.

Therefore, over the next 3 years, we expect to make investments of several billions of yen, but we will continue to monitor how profits increase.

Okinaka: These were our answers. Are you okay with them?

Questioner: Thank you very much.

Moderator: Next, please.

Questioner: I have 3 questions.

First of all, could you tell us about your plan on spot ads for the current year, if possible, the balance between the first and second halves, especially what you assume for the second half? This is my first question.

The second question. You mentioned that your production cost plan for the current fiscal year is JPY16 billion. What is the position of this level in light of the Medium-Term Management Strategy? Are you likely to increase the amount or do you plan to do all within this amount? What are your current thoughts on the status of production costs, including the profit targets in the Medium-Term Management Strategy?

This third and final question is about the mail-order business on page 36.

You plan to generate additional sales of JPY2.5 billion to JPY3 billion by 2025. Please show us your plan on what kind of things you will sell concretely. If possible, please provide more detailed information about the new business in collaboration with DMM.com, which is listed in Other businesses, will be and where you are aiming for.

That is all.

Yamamoto: Now I, Yamamoto, will answer the first question about spot advertising figures.

With regard to the budget for spot ad sales, it is not of significance to see the estimates for the current year in comparison with the results in the previous year, FY2020, because of the big impact of COVID-19 in the year. So, considering the forecast for the current year, we compare it with the result in FY2019. In other words, we take a stance of how we can recover sales toward the FY2019 result.

In that sense, the estimate of spot ad sales for the current year is around 95% of the FY2019 result.

While the situation remained as we cannot be optimistic about, spot ad sales particularly decreased in the first half of the year under review due to COVID-19. We expect that there will be a reactionary rise for the current fiscal year. However, before April, the state of emergency declaration was yet to be lifted, the future of COVID-19 was difficult to foresee, and we did not know whether the Tokyo Olympics will be held, so we set the estimate on spot ad sales at 95% of the FY2019 level.

Breaking this down to the first and second halves, we formulated our budget with 90% of the FY2019 level for the first half and 100% for the second half, resulting in 95% in total. This is what we expected for spot ad sales.

In FY2019, spot ad sales were 97.4% of the year-before result in the first half and further down at 91.7% in the second half. We factored in that situation. In addition, based on the assumption that a recovery during the first half of the current year would be difficult as the COVID-19 situation is yet to foresee in the first half, we expect that annual spot ad sales will return somehow to 95% for the full year.

So far, for April and May, the figures were generally in line with our expectation. Spot ad sales in April on a local basis were 90% of the result in the same month of FY2019. Local sales in May have been 103% so far, so the recovery trend since the second half of the previous year has not changed significantly amid the ongoing COVID-19 pandemic.

However, as we do not foresee more increasingly how spot ads will turn out every month, it is very difficult to expect the results. Moreover, as I mentioned earlier, spot ad sales will be affected considerably by the Olympics. In an ordinary Olympic year, the budget for spot ads tended to be slashed by time sales, so spot ad sales will change depending on whether the Olympics will be held.

The second question is about the production costs. In the previous year, as I explained earlier, in the first half of the year, especially from April to June, we were unable to produce new programs, so our production cost had to decrease by a large amount, about JPY15 billion, as we filled the time frames with omnibuses of past programs.

For the current year, we set the program cost at JPY16 billion, including upfront program expenses, since sports programs and other programs will return.

In addition to new golden-time programs, ABC TV will increase revenue in the Content business in the Medium-Term Management Strategy. Since this is a major goal, we will make various organizational changes in June and make some other major changes.

For this reason, we set the figure, the JPY16 billion, based on the assumption that development costs for content, which are linked to broadcast programs, will be included in the program cost, and that costs for programs, or rather content, which are not limited to broadcast programs, will also be included.

Normally, we would like to increase the program cost if possible, but since it really depends on spot ad sales, we would like to control the cost while monitoring the trends of spot ads. So far, we expect that we will be able to do all with this JPY16 billion for the current fiscal year, including content development spending, so for the time being, we would like to keep the program cost at JPY16 billion as a target.

That is all from my side.

Okinaka: I would like to answer the question about at-home shopping.

We are considering sales expansion of JPY2.5 billion to JPY3 billion in mail-order sales. Under the current mail-order sales framework, we expect growth of more than JPY500 million or more. We aim for expansion of JPY1.5 billion to JPY2 billion in the area of collaboration between ONE DAY DESIGN Inc. and DMM.com.

Regarding merchandise of ONE DAY DESIGN, at the moment, we do not have enough products for sale, but the personality of the program, Mr. Shigeru Joshima, is just 50 years old this year, and the concept is to develop new products with Mr. Joshima's help in order to propose a lifestyle for people turning 50. After the summer, when the regular mail-order business will settle down a bit, we will introduce the products we have developed through this process, and we are considering to expand sales by JPY1.5 billion to JPY2 billion.

In addition, in the area of mail-order, we are currently examining and thinking of participating in a cross-border e-commerce collaboration project abroad.

In addition to that, we also have a joint project with DMM.com, which is a very aggressive project for both parties. Of course, we have not included this in our Medium-Term Management Strategy, but we are currently talking about achieving the sales of JPY10 billion at ONE DAY DESIGN.

We are thinking mainly of a customer remittance service using the TV media, and app-based games and website games.

In addition to DMM.com, we are currently considering collaboration with a major company. Although we have not yet reached the stage where we can announce the specific details, but we expect to launch one or two new collaborations with other companies during the current year.

If we include such things, I believe that the growth of new businesses, which can solve social issues, can be expanded a little further beyond the current target of JPY19 billion regarding the Lifestyle business. That's all.

Questioner: Thank you very much.

Moderator: Thank you. Is there anyone else who would like to ask questions? There seem to be no other questions, so we would now like to close today's briefing.

Thank you very much for taking time out of your busy schedules to participate in today's briefing on our financial results and Medium-Term Management Strategy. We look forward to your continued support for our Group. Thank you very much.

Okinaka, Yamamoto, Ogura: Thank you very much.

[END]